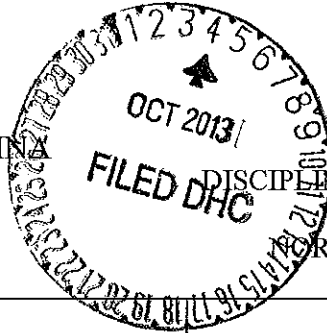


STATE OF NORTH CAROLINA

WAKE COUNTY



BEFORE THE  
DISCIPLINARY HEARING COMMISSION  
OF THE  
NORTH CAROLINA STATE BAR  
13 DHC 29

THE NORTH CAROLINA STATE BAR,

Plaintiff

v.

CHRISTOPHER G. HARPER, Attorney,

Defendant

COMPLAINT

Plaintiff, complaining of Defendant, alleges and says:

1. Plaintiff, the North Carolina State Bar ("State Bar"), is a body duly organized under the laws of North Carolina and is the proper party to bring this proceeding under the authority granted it in Chapter 84 of the General Statutes of North Carolina, and the Rules and Regulations of the North Carolina State Bar (Chapter 1 of Title 27 of the North Carolina Administrative Code).

2. Defendant, Christopher G. Harper ("Harper" or "Defendant"), was admitted to the North Carolina State Bar on August 23, 1991, and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the laws of the State of North Carolina, the Rules and Regulations of the North Carolina State Bar and the Rules of Professional Conduct.

Upon information and belief:

3. During all or part of the relevant periods referred to herein, Harper was engaged in the practice of law in the State of North Carolina and maintained a law office in Durham, Durham County, North Carolina.

**FIRST CLAIM FOR RELIEF**

4. On or about January 17, 2011, William K. Graham of Versailles Realty Partners retained Harper to complete his purchase of Mary Henry's 1/15 interest in property located at 511 Dupree Street, Durham, North Carolina.

5. Graham had agreed to purchase the property interest from Henry for \$3,000.

6. Graham paid Harper \$3,000 as earnest money for the transaction and \$800 as Harper's fee for the transaction between Graham and Henry.

7. Harper agreed to hold the \$3,800 in escrow until Mary Henry signed the deed transferring her interest to Graham.

8. Instead of depositing and holding the earnest money and fee in his trust account, Harper cashed the check from Graham and utilized the proceeds for his own benefit.

9. On or about February 8, 2012, Harper forwarded to Henry a contract signed by Graham, a quitclaim deed to be signed by Henry, and a settlement statement showing that Henry would receive \$2,000 of the \$3,000 paid by Graham, and Harper would receive \$1,000 as his attorney's fee from Henry.

10. On or about April 23, 2012, Harper withdrew \$3,000 from his trust account and utilized the proceeds to purchase a cashier's check in the amount of \$3,000 payable to Henry.

11. On the check made payable to himself for the \$3,000, Harper noted that the withdrawal involved "Mary L. Henry."

12. At the time of the withdrawal, Harper was not holding and had not deposited any funds in his trust account for Graham or Henry.

13. Henry declined to sign the quitclaim deed of her interest to Graham.

14. Harper did not forward the cashier's check to Henry.

15. On or about June 6, 2012, Harper purchased and provided to Graham a cashier's check in the amount of \$3,800 payable to Graham's Versailles Realty Partners.

16. Harper never replaced the \$3,000 he withdrew from his trust account to purchase the cashier's check.

17. In withdrawing the \$3,000 from his trust account, Harper utilized other clients' entrusted funds to benefit another.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

- a) By failing to identify, hold and maintain the entrusted funds from Graham in his trust account, and by failing to promptly deposit the entrusted funds from Graham in his trust account, Defendant violated Rules 1.15-2(a) and 1.15-2(b), respectively;

- b) By cashing the check from Graham for \$3,800 and withdrawing another \$3,000 from his trust account that belonged to other clients, Defendant used entrusted property for his own personal benefit or for the personal benefit of another when neither Defendant nor the other were the legal or beneficial owner of that property, in violation of Rule 1.15-2(j); and,
- c) By cashing the check from Graham for \$3,800 and withdrawing another \$3,000 from his trust account that belonged to other clients, Defendant committed criminal acts that reflect adversely on his honesty, trustworthiness, or fitness as a lawyer in other respects in violation of Rule 8.4(b), and engaged in conduct involving dishonesty, fraud, deceit or misrepresentation in violation of Rule 8.4(c).

### **SECOND CLAIM FOR RELIEF**

- 18. Paragraphs 1–17 are incorporated by reference as if fully set forth herein.
- 19. Henry L. McGhee retained Harper in August 2009 to represent him in connection with injuries sustained in a motor vehicle accident.
- 20. McGhee and the insurance company settled McGhee's claim on or about February 2, 2010 for \$3,500, which Harper deposited in his trust account.
- 21. Under Harper's retainer agreement with McGhee, on February 3, 2010 Harper disbursed to himself a contingency fee of 33⅓% of the settlement, which amounted to \$1,166.65.
- 22. McGhee was entitled to \$2,333.35 of the settlement proceeds deposited in Harper's trust account.
- 23. Except for disbursements to McGhee of \$550 on February 12, 2010 and \$500 on April 21, 2010, Harper made no other disbursements to McGhee from his trust account of the funds to which McGhee was entitled under the settlement.
- 24. Between March 10, 2010 and April 29, 2010, Harper made disbursements to himself totaling \$1,145 from McGhee's entrusted settlement funds.
- 25. Of the remaining balance of \$138.35 in Harper's trust account, Harper utilized these entrusted settlement funds to cover shortages from his other trust account disbursements.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

- a) By failing to make disbursements to McGhee from his trust account of the funds to which McGhee was entitled under the settlement, Defendant failed to promptly pay or deliver to his client the entrusted property

belonging to the client and to which the client was entitled, in violation of Rule 1.15-2(m);

- b) By making disbursements to himself of McGhee's entrusted settlement funds and by utilizing McGhee's entrusted settlement funds to cover shortages from his other trust account disbursements, Defendant used entrusted property for his own personal benefit or for the personal benefit of another when neither Defendant nor the other were the legal or beneficial owner of that property, in violation of Rule 1.15-2(j); and,
- c) By making disbursements to himself of McGhee's entrusted settlement funds and by utilizing McGhee's entrusted settlement funds to cover shortages from his other trust account disbursements, Defendant committed criminal acts that reflect adversely on his honesty, trustworthiness, or fitness as a lawyer in other respects in violation of Rule 8.4(b), and engaged in conduct involving dishonesty, fraud, deceit or misrepresentation in violation of Rule 8.4(c).

### **THIRD CLAIM FOR RELIEF**

26. Paragraphs 1–25 are incorporated by reference as if fully set forth herein.

27. Nancy J. Mack retained Harper in October 2009 to represent her in connection with property damage and injuries sustained when a motor vehicle struck her residence.

28. In addition to \$25,318.66 previously paid to Mack for property damage, Mack and the insurance company settled Mack's claim on or about January 3, 2011 for an additional \$3,000 in property damage and \$5,000 for bodily injury.

29. On January 7, 2011, Harper deposited the \$5,000 insurance check for Mack's bodily injury claim in his trust account.

30. Under Harper's retainer agreement with Mack, on January 7, 2011 Harper disbursed to himself a contingency fee of 35% of the settlement, which amounted to \$1,750.

31. On February 2, 2011, Harper disbursed to himself an additional \$914 as his fee from Mack.

32. On February 28, 2011, Harper deposited the \$3,000 insurance check for Mack's property damage claim in his trust account.

33. Mack was entitled to \$5,336 of the settlement proceeds deposited in Harper's trust account.

34. Between February 17, 2011 and June 3, 2011, Harper made disbursements to himself totaling \$5,350 from Mack's entrusted settlement funds.

35. As of June 3, 2011, Harper's client ledger card for Mack showed a balance of \$236, with no disbursements having been made to Mack of the settlement proceeds deposited in Harper's trust account.

36. On July 28, 2011, Harper made a deposit to his trust account in the amount of \$4,000.

37. Harper's client ledger card for Mack showed the \$4,000 deposit as having been credited to his client Mack.

38. On July 28, 2011, Harper disbursed to Mack a check in the amount of \$6,250, creating a negative balance of \$2,264 in Mack's account.

39. Harper utilized other clients' entrusted funds to cover the shortage created by the disbursement of \$6,250 to Mack.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

- a) By failing to make disbursements to Mack from his trust account of the funds to which Mack was entitled under the settlements, Defendant failed to promptly pay or deliver to his client the entrusted property belonging to the client and to which the client was entitled, in violation of Rule 1.15-2(m);
- b) By making disbursements to himself of Mack's entrusted settlement funds, Defendant used entrusted property for his own personal benefit or for the personal benefit of another when neither Defendant nor the other were the legal or beneficial owner of that property, in violation of Rule 1.15-2(j); and,
- c) By making disbursements to himself of Mack's entrusted settlement funds and by utilizing other clients' entrusted funds to cover the shortage created by the disbursement to Mack, Defendant committed criminal acts that reflect adversely on his honesty, trustworthiness, or fitness as a lawyer in other respects in violation of Rule 8.4(b), and engaged in conduct involving dishonesty, fraud, deceit or misrepresentation in violation of Rule 8.4(c).

#### **FOURTH CLAIM FOR RELIEF**

40. Paragraphs 1–39 are incorporated by reference as if fully set forth herein.

41. Shanicka Lewis retained Harper to represent her minor son in connection with injuries he sustained in a motor vehicle accident on July 31, 2008.

42. On or about April 25, 2011, Harper and Lewis agreed to a structured settlement with the insurance company, including a cash settlement of \$15,500 and guaranteed future lump sum payments to the minor son.

43. On July 11, 2011, Harper deposited the \$15,500 insurance settlement check in his trust account.

44. Under Harper's retainer agreement with Lewis, on July 14, 2011 Harper disbursed to himself a check for \$11,933.32, representing a contingency fee of 33⅓% of the settlement (\$11,833.32) plus 10% of the initial \$1,000 in Medicaid reimbursement (\$100).

45. On July 15, 2011, Harper disbursed to himself an additional \$1,078.37, which was supposed to be provided to Lewis for the necessary expenses of her minor son.

46. Following the disbursements to Harper, a total of \$2,488.31 should have remained in Harper's trust account to cover the remaining Medicaid reimbursement (\$2,375.91) and Harper's expenses (\$112.50).

47. As noted above in the Third Claim For Relief, on July 28, 2011 Harper disbursed to client Nancy Mack a check in the amount of \$6,250.

48. Harper's trust account balance fell to \$251.07 on August 18, 2011.

49. Harper's trust account balance was zero as of June 13, 2012.

50. Harper utilized proceeds from the entrusted settlement funds for Lewis's minor son to cover the shortages created by the disbursement to client Nancy Mack.

51. On October 1, 2012, Harper paid the Division of Medical Assistance a check on his personal bank account in the amount of \$2,375.91, representing the Medicaid reimbursement which should have been paid out of the entrusted settlement funds for Lewis's minor son.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

- a) By making the disbursement to himself of entrusted funds which were supposed to be provided to Lewis for the necessary expenses of her minor son, and by making the disbursement to client Nancy Mack in July 2011 utilizing, in part, the minor son's entrusted settlement funds, Defendant used entrusted property for his own personal benefit or for the personal benefit of another when neither Defendant nor the other were the legal or beneficial owner of that property, in violation of Rule 1.15-2(j); and,
- b) By making the disbursement to himself of entrusted funds which were supposed to be provided to Lewis for the necessary expenses of her minor

son, and by utilizing the minor son's entrusted funds to cover the shortage created by the disbursement to Nancy Mack, Defendant committed criminal acts that reflect adversely on his honesty, trustworthiness, or fitness as a lawyer in other respects in violation of Rule 8.4(b), and engaged in conduct involving dishonesty, fraud, deceit or misrepresentation in violation of Rule 8.4(c).

#### **FIFTH CLAIM FOR RELIEF**

52. Paragraphs 1-51 are incorporated by reference as if fully set forth herein.

53. Courtney Tanner retained Harper to represent him in connection with injuries he sustained in separate motor vehicle accidents occurring on December 27, 2009 and March 19, 2010.

54. Tanner and one of the insurance companies (Integon National Insurance Company) settled Tanner's claim on or about April 6, 2012 for \$4,500, which Harper deposited in his trust account.

55. Under Harper's retainer agreement with Tanner, on April 9, 2012 Harper disbursed to himself a check for \$1,500, representing a contingency fee of 33⅓% of the settlement.

56. Following the disbursement to Harper for his contingency fee, a total of \$3,000 should have remained in Harper's trust account to be disbursed to Tanner.

57. On April 10, 2012, Harper made a disbursement from his trust account to Davion Tilley in the amount of \$125, which he attributed to the account of client Helen Grey.

58. Tilley was not entitled to the direct disbursement from Harper's trust account.

59. On April 12, 2012, Harper made a deposit into his trust account of a Medicaid reimbursement check in the amount of \$2,000 in connection with the settlement of client Helen Grey.

60. The \$2,000 for Medicaid reimbursement in the Grey matter was entrusted funds.

61. On April 23, 2012, Harper made a disbursement to himself from his trust account in the amount of \$275, which he attributed to the account of client Helen Grey.

62. As noted above in the First Claim For Relief, on April 23, 2012 Harper disbursed to himself from his trust account a check in the amount of \$3,000 which Harper utilized to purchase a cashier's check in the amount of \$3,000 payable to Mary L. Henry.

63. Following the disbursement to himself of \$3,000 in the Mary L. Henry matter, Harper's trust account balance fell to \$1,600 on April 23, 2012.

64. As of April 23, 2012, a total of \$3,000 should have remained in Harper's trust account to be disbursed to Tanner and a total of \$2,000 should have remained in Harper's trust account to be disbursed to the Division of Medical Assistance in the Grey matter.

65. Harper utilized proceeds from the entrusted settlement funds for Tanner and Grey to cover the shortages created by the disbursements to Tilley and himself.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

- a) By failing to make disbursements to Tanner from his trust account of the funds to which Tanner was entitled under the settlement, Defendant failed to promptly pay or deliver to his client the entrusted property belonging to the client and to which the client was entitled, in violation of Rule 1.15-2(m);
- b) By making the disbursements to Tilley and himself in the Grey and Henry matters, Defendant used entrusted property for his own personal benefit or for the personal benefit of another when neither Defendant nor the other were the legal or beneficial owner of that property, in violation of Rule 1.15-2(j); and,
- c) By utilizing the entrusted funds of Tanner and Grey to cover the shortages created by the disbursements to Tilley and himself, Defendant committed criminal acts that reflect adversely on his honesty, trustworthiness, or fitness as a lawyer in other respects in violation of Rule 8.4(b), and engaged in conduct involving dishonesty, fraud, deceit or misrepresentation in violation of Rule 8.4(c).

#### **SIXTH CLAIM FOR RELIEF**

66. Paragraphs 1–65 are incorporated by reference as if fully set forth herein.

67. Harper's uncle, John Harper, Jr., received a traffic ticket in Moore County, North Carolina.

68. Harper represented his uncle on the Moore County ticket, but did not charge his uncle an attorney fee for doing so.

69. Harper's uncle did not have any entrusted funds in Harper's trust account.



70. On July 14, 2010, Harper paid the court costs and fine for his uncle by disbursing a check from his trust account to the Moore County Clerk of Court in the amount of \$155.

71. At the time of the disbursement on behalf of his uncle, Harper did not have sufficient personal funds in his trust account to cover the check to the Moore County Clerk of Court.

72. Harper utilized proceeds from the entrusted funds for his client Henry McGhee to cover the shortage created by the disbursement on behalf of his uncle.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

- a) By making the disbursement to the Moore County Clerk of Court on behalf of his uncle, Defendant used entrusted property for his own personal benefit or for the personal benefit of another when neither Defendant nor the other were the legal or beneficial owner of that property, in violation of Rule 1.15-2(j); and,
- b) By utilizing the entrusted funds of McGhee to cover the shortage created by the disbursement on behalf of his uncle, Defendant committed criminal acts that reflect adversely on his honesty, trustworthiness, or fitness as a lawyer in other respects in violation of Rule 8.4(b), and engaged in conduct involving dishonesty, fraud, deceit or misrepresentation in violation of Rule 8.4(c).

#### **SEVENTH CLAIM FOR RELIEF**

73. Paragraphs 1-72 are incorporated by reference as if fully set forth herein.

74. Harper maintained a trust account at Wells Fargo with an account number ending in No. -8883.

75. From January 2010 through June 2012, Harper failed to conduct monthly reconciliations of his trust account.

76. From January 2010 through June 2012, Harper failed to conduct quarterly reconciliations of his trust account.

77. From January 2010 through June 2012, Harper failed to keep accurate records of the funds received and disbursed on behalf of his clients.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

- a) By failing to conduct monthly and quarterly reconciliations of his trust account, Defendant violated Rule 1.15-3(d); and,
- b) By failing to keep accurate records of the funds received and disbursed on behalf of his clients, Defendant violated Rule 1.15-3(b)(5).

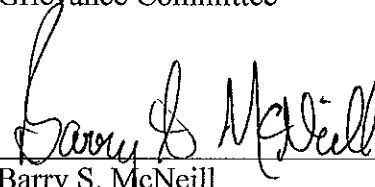
WHEREFORE, Plaintiff prays that:

- (1) Disciplinary action be taken against Defendant in accordance with N.C. Gen. Stat. § 84-28(a) and § .0114 of the Discipline and Disability Rules of the North Carolina State Bar (27 N.C.A.C. 1B § .0114), as the evidence on hearing may warrant;
- (2) Defendant be taxed with the fees and costs permitted by law in connection with this proceeding; and
- (3) For such other and further relief as is appropriate.

The 4th day of October, 2013.



Margaret M. Hunt, Chair  
Grievance Committee



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